BRITISH COLUMBIA

BC STATS Infoline

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August 29, 1997

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highlights

a weekly digest of recently released British Columbia statistics

Forest Industry

- **British Columbia lumber production declined 1.9% in June from a year ago, to 2.8 million cubic metres (m^3).** Shipments rose 11.2%, with a resulting 0.8% drop in the level of stocks. Quebec, the second largest lumber producer in Canada, (1.3 million m^3 in June), showed a 2.7% increase in production. Production in Alberta increased 15.7% to 0.5 million m^3. *Source: SC, Cat. 35-003 Vol. 51, No. 6*

Income

- **Dual-earner families in BC had an average income of $71,691 in 1995.** When only one partner had earnings from employment, the average family income was $54,499. The contribution of the wife's earnings to family income has risen steadily from 28.7% in 1990 to 32.7% in 1995.

  Based on an analysis of national data, the proportion of families where the husband was the sole earner, went from 59.4% in 1967 to only 17.8% by 1995. By 1995, more than three-quarters of husband-wife families were dual-earners, a family situation that had been in the minority until the early 1970s. The percentage of wives earning more than their husbands has been rising steadily, apart from a small fluctuation in the early 1990s. In 1995, 14.2% of wives had incomes higher than their husbands', compared with only 3.5% in 1967.

  Families where wives earned more than their husbands had an increase in real income (income adjusted for inflation) of 74.7% between 1967 and 1995. The smallest increase (36.1%) was shown by families where the husband was the sole earner.

  Source: SC, Cat. 13-215

Research & Development

- **R&D expenditures by industry in British Columbia increased just under 50% between 1990 and 1995.** At $551 million, 7% of the national total was spent in BC, compared with 55% in Ontario and 28% in Quebec. R&D employment growth (in person-years) for BC kept pace with expenditures, increasing just over 50% The growth in both expenditures and employment was consistent with that for the country as a whole.

  Nationally, the largest expenditures on R&D were made by telecommunications equipment manufacturers. Expenditures by this industry increased 94% from 1990 to 1995, and are forecast to increase another 14% to a total of $1.6 billion in 1997. This sector alone accounted for 18% of total R&D. The expenditures next largest performers were aircraft and parts manufacturers, engineering and scientific services, computer services and pharmaceuticals manufacturers.

  The telecommunications equipment manufacturers spent the largest amount relative to total company revenues (22%) on R&D. They were followed by computer services (15%), other electronic equipment, excluding parts manufacturers (11%), engineering and scientific services and management consulting (tied at 10%) and pharmaceuticals manufacturing (7%). *Source: SC, Cat. 88-202*

Tourism

- **Poor weather conditions throughout BC contributed to a decline in park visits.** There were less visitors to all parks in July compared to the previous July. Campground use decreased (-2%), day use visits dropped

Report **School pays off!**

Did you know...?
Canadian dairies produced over 300 million litres of solid ice cream in the 12 months ending June 1997.

(-13%) and boating facility usage had the greatest decrease at (-16%). *BC Parks*

Labour

- **One in three employed Canadians belonged to a union, in 1997**. Unionization rates have remained fairly steady during the last three decades. In 1967, 2.05 million workers were unionized. By 1990, the membership peaked at 3.84 million. Slow declines occurred over the next few years, and by 1997, membership totalled 3.53 million in Canada.

  The proportion of unionized men to women has changed over time. In 1967, 4 in 5 union members were men. Among female employees, in 1967, the ratio was 1 in 6. Today the sexes tend to be equally represented, women make up 45% of the membership compared to 55% for men.

  International unions are not as predominant in Canada as they were three decades ago. In 1962, 2 in 3 union members belonged to a international union (with headquarters based outside of Canada). By 1992, the ratio had fallen to 3 in 10. *Statistics Canada*

- **The number of new employment insurance claimants in BC dropped 0.4% in June and 8.1% compared with June 1996.** Of new claims allowed, one in ten was for maternity or parental leave. Fifteen percent of all claims allowed were persons with a previous claim. Total beneficiaries in BC in June were 79,460, down from 87,900 in April. A quarter of all regular beneficiaries had been on claim 27 weeks or more.

  The average weekly payment for regular benefits in June was $264.70, down from $273.30 a year ago. The occupational group with the largest number of beneficiaries was "trades, transport equipment operators and related occupations".
  Source: Statistics Canada

- **About 6% of employed persons in British Columbia held more than one job in 1996, and two-thirds of those were employed full-time at one of their jobs.** Ten years earlier, 4.2% of the employed were multiple job holders. Women, particularly young women, were more likely than men to be in this position. The likelihood of having more than one job decreased with age. By sector, 7.2% of persons whose principal job was in a service industry, followed by those in transportation, communication and other utilities (6.1%), finance, insurance and real estate (5.4%), public administration (5.3%) and trade (5.0%) had another job. Persons in primary industries, manufacturing and construction were least likely to have a second job. Workers whose principal job was in services or trade were the least likely to have a full-time job. *Source: Statistics Canada*

Meat Consumption

- **During last two decades, per capita consumption of beef has declined 72%.** In 1976, Canadians consumed 39.1 kilograms (kg) of beef; by 1996, the amount had declined to 22.7 kg. As a nation, we also eat less veal (2.4 kg to 1.3 kg) and less lamb (1.0 kg to 0.8 kg). Surprisingly, in this age of fat conscious consumption, the amount of pork we eat has remained the same over twenty years (19.8 kg to 19.9 kg). *Source: Statistics Canada*

The Nation

- **Canada's economy increased 1.2% in the second quarter of 1997 (seasonally adjusted).** It now stands 3.7% higher than this time last year. Business investment grew 2.3% in the second quarter. Personal expenditures on consumer goods also grew by 1.1%. This reflects increases in personal income (1.1%), mainly from labour income and unincorporated business income. Investments in RRSPs and employer-sponsored pension funds has been strong, indicating wealth accumulation for the population approaching retirement.
  Source: Statistics Canada

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For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Infoline Report:

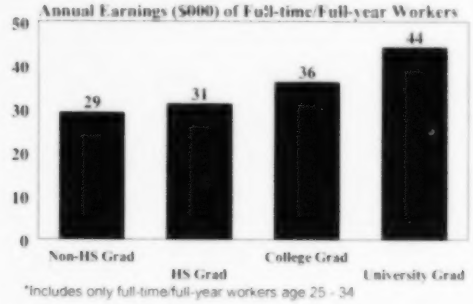
August 29, 1997

The Value of Education — it really pays to stay in school

Originally published in the May '97 *Earnings & Employment Trends*, available by annual subscription for $60 plus GST

For young people, the decision as to whether to stay in school or to launch into working life has always been a difficult one. Too often, the lure of immediate financial independence outweighs the long-term lifetime gains that could be acheived by carrying on to post secondary education. However, for the generation of youth making this decision today, the stakes have increased -- the payoff for every additional year of schooling is becoming more and more pronounced.

Employers Put a High Value on Education
BC - 1994



*Includes only full-time/full-year workers age 25 - 34

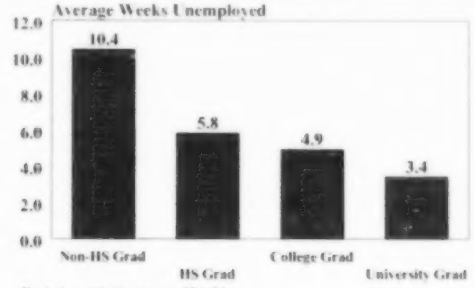
Source: Statistics Canada SCF

The financial reward for additional schooling comes from two sources, the first being in the form of higher wages for every hour worked and the second being through more opportunity to work in steady, full year jobs. To examine the wage differential, it is necessary to compare the earnings of only those who work full-year/full-time. The analysis is confined to only the new generation of workers, those aged 25-34, who are at the beginning of their working-lives.

In 1994, employers paid young university grads $44,000 compared to only $31,000 for young high school grads, a $13,000 difference per year. Over 30 years of working life, this represents hundreds of thousands of dollars. One issue that stands out in the above chart is that the payoff for completion of high school is only $2,000 per year. This appears to contradict the conventional wisdom, that high school dropouts are the major losers in the workforce.

Along with the difference in the value of work to the employer there is also a significant variance in how much work individuals are able to get over the year. Incidences of unemployment are far more common amongst the lesser educated, primarily because they so often find themselves in seasonal or temporary jobs. Amongst 25 to 34 year olds who were active in the workforce in 1994, the amount of time spent by high school drop-outs looking for work and unemployed was 10.4 weeks. A high school diploma cut that time almost in half.

Differences in Unemployment Experience
The average high school drop-o ut has no earnings for over 2 months per year.



*Includes only those age 25 - 34

Source: Statistics Canada SCF

This discrepancy in the number of weeks worked each year negatively impacts the earning powers of the lesser educated. When unemployment is considered, the payoff on years spent in school becomes more dramatic, especially for High School completers. In reality, they earn $6,000 more per year than high school drop-outs.

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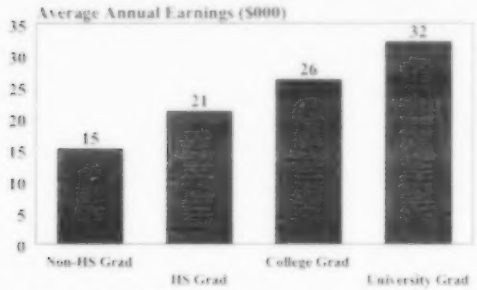
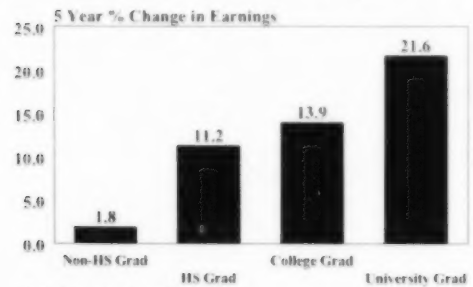
When the different unemployment experience is included in the calculation of earnings, the value of completing High School becomes apparent



*Includes only those age 25-34
Source: Statistics Canada SCF

A further critical factor for youth to consider in their decision "to stay or not to stay in school" is that this gap in earning power between the well educated and the not-so-well educated is widening. Between 1989 and 1994, High School Drop-outs' earnings stagnated while University Grads' increased by 22 per cent. This meant that in 1994 the earnings gap between the least and the most educated groups was $17,000 compared to $12,000 five years earlier.

The 5 Year Growth in Earning Power
The rich get richer and the poor stay the same.



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Source: Statistics Canada SCF

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Average Weekly Earnings in BC	97-02
Work Sharing-Solution for BC's unemployment?	97-01
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Career Activity-Comparisons of Young Men & Women	96-08
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Infoline

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BC at a glance . . .

POPULATION (thousands)	Apr 1/97	% change on year ago
BC	3,915.9	2.2
Canada	30,202.9	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Jun	2,811	4.5
Merchandise Exports (raw) Jun	2,172	3.1
Retail Sales (seasonally adjusted) Jun	2,643	1.3
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	Jul '97	on year ago
BC	139.7	0.9
Canada	138.0	1.8
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	Jul '97	on year ago
Labour Force - BC	2,027	2.2
Employed - BC	1,853	1.8
Unemployed - BC	174	6.7
		Jul '96
Unemployment Rate - BC *(percent)*	8.6	8.2
Unemployment Rate - Canada *(percent)*	9.0	9.9
INTEREST RATES (percent)	Aug 27/97	Aug 28/96
Prime Business Rate	4.75	5.75
Conventional Mortgages - 1 year	5.65	6.13
- 5 year	7.00	7.95
US/CANADA EXCHANGE RATE	Aug 27/97	Aug 28/96
(avg. noon spot rate) Cdn $	1.3918	1.3662
US $ *(reciprocal of above rate)*	0.7185	0.7320
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	Jun '97	on year ago
BC	620.87	0.2
Canada	603.05	1.8

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

1997 Manufacturers' Directory

BC STATS has just released the *1997 BC Manufacturers' Directory*. This publication is available only through BC STATS in Victoria. We are able to accept VISA and MasterCard orders over the phone or by fax and ship your book or disks by Canada Post the same day. If you require faster turn-around you may arrange for courier pick-up. To help with your order, a form is provided after **highlights**.

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- Current Statistics, August 1997

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- Small Business Quarterly, 2nd Quarter 1997
- Tourism Room Revenue, April 1997

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